United States Department of State



Assistant Secretary of State for Diplomatic Security

Washington, D.C. 20520

MAY 18 2006

Dear Mr. Chairman:

Thank you for your letter of May 4 outlining concerns over a recent purchase from an approved American contractor of computers manufactured by the Chinese company, Lenovo. The Department appreciates—your continued interest and support for a modern and secure information platform to conduct diplomacy.

As we said in our briefing to you and your staff on May 17, we are committed to ensuring the security of all our information systems and have taken several steps to ensure that this purchase will not jeopardize the investment made in the IT modernization process or compromise our information and communications channels.

First, the Department is initiating changes in its procurement process in light of the changing ownership of IT equipment providers. These changes will help guarantee both information security and compliance with federal acquisition laws and regulations. The Department is raising these issues as well with the General Services Administration (GSA).

Second, the Bureau of Diplomatic Security (DS) has consulted with U.S. Government computer security experts and is recommending that the computers purchased last fall be utilized on unclassified systems only. Additionally, we are employing further inspection and verification operations on these systems. DS and Information Resources Management will brief other government agencies on these actions as requested.

The Honorable

Frank R. Wolf, Chairman,
Subcommittee on Science, State, Justice, Commerce and
Related Agencies,
Committee on Appropriations,
House of Representatives.

I hope this information has been useful. Please do not hesitate to contact us if we can be of further assistance on this or any other matter.

Sincerely,

Richard J. Griffin

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Congress of the United States

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The Honorable Condoleezza Rice
Secretary of State

Washington, DC 20520

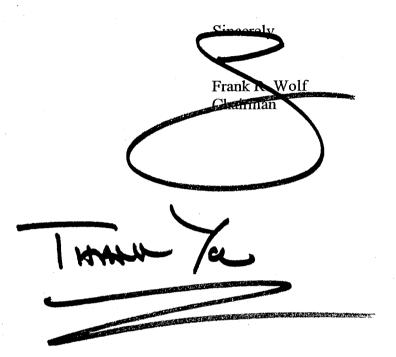
Dear Madam Secretary:

The Congress established the U.S.-China Commission to monitor, investigate, and submit to Congress on the implications of the bilateral trade and economic relationship between the United States and the People's Republic of China. The Commission has recently made me aware in the enclosed letter its concerns about a decision by you and your Department to purchase 16,000 computers produced by a Chinese-owned company. The company in question is the same company about which the Committee on Foreign Investment in the United States (CFIUS) had significant security concerns last year.

U.S. diplomacy and overseas operations have grown increasingly dependent on information technology. As you know, since 2002, my committee has worked tirelessly to modernize the Department of State, including its IT infrastructure and systems. The Committee has appropriated \$4.2 billion to enable overseas posts to be fully connected with the Department's classified and unclassified networks. Therefore, I am distressed to learn that your Department may be jeopardizing this investment in a secure IT infrastructure.

It is especially troubling to me that these computers could be used as part of the State Department's classified network deployed in the United States and around the world at embassies and consulates that will carry national security information. As you must be aware, the Chinese have a coordinated espionage program against our government. These computers should not be used in the classified network.

I respectfully request that you meet with members of the U.S.- China Commission to discuss this important issue.



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U.S.-CHINA COMMISSION

April 25, 2006

The Honorable Frank R. Wolf Chairman, Subcommittee on Science, State Justice and Commerce and Related Agencies H-309 Capitol Washington, DC 20515-6017

Dear Mr. Chairman:

We are writing to you to urge an inquiry to examine the recent announced purchase by the Department of State of almost 16,000 computers produced by Lenovo. We believe that this transaction triggers a number of serious questions about U.S. security interests that bear examination.

When the proposed transaction was first made public we both raised questions as to the U.S. security interests that could be at risk. After talking to numerous U.S. officials in the intelligence community and the Department of State, our concerns have not abated. Indeed, many of the reasons behind the U.S. Government's earlier demand that the sale by IBM of its personal computer division to Lenovo be amended last year parallel our concerns about this State Department transaction. As you well know, the Committee on Foreign Investment in the United States (CFIUS) raised a number of concerns about Lenovo and the significant amount of Chinese-state investment and control with regard to last year's transaction.

The computers covered by this transaction will be deployed throughout the Department of State's facilities around the globe. According to information we have been provided by the Office of the Under Sccretary of State for Management, about 15,000 of the computers are destined to carry unclassified data. State Department computer security personnel have outlined internal measures at State designed to ensure that these computers will not jeopardize unclassified networks. However, we urge you to inquire about these procedures.

Our more serious concerns are that some 900 of these computers are destined to be part of a classified network deployed in the United States and around the world at Embassies and Consulates that will carry national security information up to the Secret level. The computers are destined to be linked to a system that can enter the Department of Defense's "SIPRNET" system, which carries finished United States intelligence as well as intelligence information reports. The United States is a principal intelligence target of Chinese intelligence services. Their espionage activities are well documented. This transaction will potentially give the Chinese access to Department of Defense intelligence information as well as the inner workings of the Department of State on issues ranging from human rights to Taiwan to arms control negotiations to countless other areas.

Clearly, the manufacturing of computers has become a global activity. The components in Lenovo computers, and that of every other manufacturer, will be sourced globally. But Lenovo is owned in part by the government of China. There is no company or individual in China that is immune to the pressures of the Chinese government when it comes to facilitating the interests of the state. The fact that these computers may be assembled outside of China or that the software is produced in the U.S. does not eliminate the opportunity for covert means to gain access to some of our nation's most important data. Ultimately, we believe that Congress will need to instruct the General Services Administration to modify Federal Acquisition Regulations to require that every agency with procurement authority examine and identify national security considerations relevant to the product or service being procured.

We have both publicly called for further review of this transaction. In writing to you, we do so in our capacity as individual Commissioners and have not sought to formally request a vote by the entire Commission. We have both spent significant time and effort to review the facts and engage interested parties – some of whom have sought to delay responding to our questions in the hope that this issue will simply go away. Our limited efforts have convinced us that a more formal inquiry is necessary.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Michael R. Wessel

Larry M. Wortzel

Cc:

Congresswoman Jo Ann Davis, House Permanent Select Committee on Intelligence

Christine Kojac, House Committee on Appropriations

J.T. Griffin, Legislative Assistant, Office of Congressman Wolf

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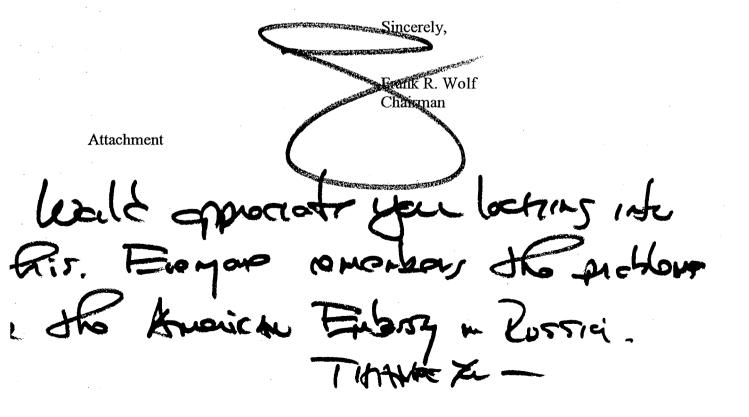
> > TELEPHONE: (202) 225-2771

JOHN R. CARTER, TEXAS RODNEY ALEXANDER, LOUISIANA The Honorable Robert Mueller Federal Bureau Investigation Washington, DO 20535

> Mueller: Dear Directo

The Congress established the U.S.-China Commission to monitor, investigate, and submit to Congress on the implications of the bilateral trade and economic relationship between the United States and the People's Republic of China. The Commission has recently made me aware in the enclosed letter its concerns about a decision by the Secretary of State to purchase 16,000 computers produced by a Chinese-owned company. The company in question is the same company about which the Committee on Foreign Investment in the United States (CFIUS) had significant security concerns last year.

I respectfully request that you look into this matter.



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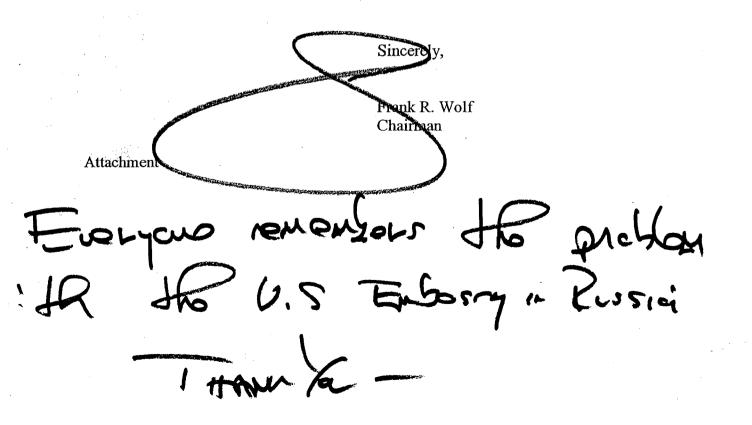
> > TELEPHONE: (202) 225-2771

Ambassador John D. Negroponte Office of the Director of National Intelligence Washington, DC 20511

Dear Mr. Nogreponie

The Congress established the U.S.-China Commission to monitor, investigate, and submit to Congress on the implications of the bilateral trade and economic relationship between the United States and the People's Republic of China. The Commission has recently made me aware in the enclosed letter its concerns about a decision by the Secretary of State to purchase 16,000 computers produced by a Chinese-owned company. The company in question is the same company about which the Committee on Foreign Investment in the United States (CFIUS) had significant security concerns last year.

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Congress of the United States

House of Representatives Committee on Appropriations Washington, DC 20515-6015 May 4, 2006

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> > TELEPHONE: (202) 225-2771

Joshua B. Bolten The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear Mr Bolter

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